



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 10/19/2001

GAIN Report #FR1070

## **France**

### **Product Brief**

## **French Market for Food Supplements 2001**

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#### **Report Highlights:**

**The Food supplement market in France is estimated to be between \$337-464 million and is currently experiencing ten percent annual growth.**

**Manufacturers from the pharmaceutical and food industries are constantly innovating and product despite the lack of defined legislation for food supplements in France.**

**Best prospects are for plant extracts, vitamins, herbal teas, meal substitutes, and any innovative products offering quality and attractive packaging.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Paris [FR1], FR

*Note: The exchange rate used in this report for calendar year 2000 is:  
US Dollar 1 = FF 7.11 (Source: IFM), unless otherwise specified.*

## **SECTION I. DEFINITION AND MARKET OVERVIEW**

### **a. Definition:**

In France, a food supplement is a product or food that when absorbed into the human body supplements a real lack or supposed lack of a nutriment, as defined by a French decree of April 15, 1996, amended October 14, 1997. Food supplements in France are not categorized as dietetic foods (these products are defined by French decree 91-827 of Aug. 28, 1991).

Food supplements generally come in the form of pills, capsules, or vials and contain nutritional additives such as vitamins and minerals, various ingredients such as plant extracts or technological additives, colorings, sweeteners, etc.. Food supplement ingredients are subject to strict and complex French regulation (see Regulation chapter).

### **b. Market Overview:**

The popularity of natural products as well as vitamins and all things healthy contribute to dynamize of the current French food supplement market. The supplement market has been growing at a rate of ten percent a year. In 2000, the market was estimated to be worth between FF2.4 billion (\$337 million) to FF 3.3 billion (\$464 million).

Supermarket sales are estimated to FF 515 million (\$72 million). According to a recent French consumer survey, 25 percent of French households are food supplement consumers with some 400,000 new consumers in calendar year 2000 alone.

Fifty percent of food supplements in France are sold in pharmacies, 24 percent in drugstores, 10 percent in specialized stores, and 8 percent in supermarket stores and direct sales, respectively.

<b>Advantages</b>	<b>Challenges</b>
Demand for new-to-market products and diversity of the U.S. offer.	Price competition is fierce and U.S. exporters have to conform to French standards and regulations.
High-Tech food supplements and innovative products are in demand.	Lack of knowledge of U.S. brands by importers and retailers and tight competition from French and European manufacturers.
Food supplements are becoming more popular and increasingly carried by supermarkets.	The absence of specific EU or French regulation for food supplements does not facilitate trade.

## **SECTION II. MARKET SECTOR OPPORTUNITIES AND THREATS**

### ***Entry Strategy***

To succeed in introducing new-to-market products, U.S. exporters must have local representation and personal contacts. Local representatives can provide up-to-date information on business practices, trade laws, sales leads, and marketing and distribution strategies. Some local representatives are also importers and distributors. The Office of Agricultural Affairs in Paris has listings of potential importers and distributors.

Depending on products, U.S. exporters can penetrate the market through:

- ' A central buying office
- ' Specialized importers/distributors

The Office of Agricultural Affairs recommends that small-to-medium size U.S. exporters deal through importers/distributors familiar with central buying offices and supermarket buyers, which often require financing for product referencing, but share the management and advertizing costs of positioning products in the market.

### ***Market Structure and Trends of the five distribution circuits***

#### ***Pharmacies and Drugstores:***

Pharmacies and drugstores are the leading distributors of food supplements in France representing 74 percent of the total market and sales over FF 1.5 billion French Francs (\$211 million). There are 23,535 pharmacies and drugstores and six main chains in France. Most French consumers prefer to buy food supplements in pharmacies where they can consult someone on product benefits. However, there is increasing competition from the other distributors, such as supermarkets and hypemarkets. In response, pharmacies and drugstores have created central buying offices such as Giphar or Optipharm to buy products at more competitive prices.

#### ***Supermarkets:***

Total sales of food supplements in French supermarkets are estimated to FF 515 million (\$72 million). Most of the food supplements sold in supermarkets are natural products such as plant extracts and herbal teas, representing 57 percent of sales. Vitamins and minerals represent 43 percent of sales. Five major manufacturers are currently supplying supermarket stores. Supermarket sales of food supplements are increasing at a rate of about 10 percent a year. Supermarkets are expected to gain market share in the coming years to the detriment of pharmacies and specialized stores.

#### ***Specialized stores:***

Specialized stores represent about 3,000 outlets including independant retailers and specialized stores

organized in franchise. These stores represent ten percent of the total market with estimated sales of FF 200 million (\$28 million) and a clientele mostly used to consume dietetic, organic and plant extract products representing very specialized but restrictive consumers. Approximately seven manufacturers are currently supplying specialized stores. This distribution circuit is suffering the desertification of large cities and enlargement of supermarket stores.

*Direct Sales:*

Direct sales include mail order (VPC); home and internet sales and represent eight percent of total food supplement market sales. VPC regroups specialists of cosmetics, and health foods (with mainly three major manufacturers). The number of Internet websites selling food supplements is increasing, and they are becoming more and more popular. These websites give customers information on food supplement ingredients as well as the results to be expected. This means of distribution is very dynamic, and is expected to reach 10 percent market share by 2003 to the detriment of pharmacies and drugstores.

***Major Company Profiles in the Food Supplement Sector***

Name of Operator	Total Amount of Sales for CY 2000 (\$ Million)	Major Brands	Distribution Circuits
Laboratoire Arkopharma	\$58 million	Phyto Nатурland & ExtraVine (plant extracts)	Pharmacies/D rugstores and Supermarket Stores
Sed (Laboratoire Juva Santé)	\$35 million	Juvamine (vitamins), Juvaflorine (plant extraxts) and Evert	Specialized Stores and Supermarkets
Oenobiol	\$27 million	Oenobiol	Pharmacies & Drugstores
Ogokos	\$25 million	Esthederm, Biodema and Delicata	Pharmacies, Drugstores and Specialized Stores

Distriborg	\$21 million	Equilibrance/ Vendomine/E phytem & Evanea	Supermarkets & Specialized Stores
Yves Rocher	\$14 million	Santé Naturelle	Direct sales
Léa-Institut Vital	\$14 million	Amphorm, Floressance, Natessance, Natébio	Supermarkets Drugstores & Specialized Stores
Olaytone	\$10 million	Terrafor	Pharmacies & Drugstores
Pierre Fabre	\$1.3 million	Pierre Fabre Santé Furterer	Pharmacies & Drugstores
Ponroy Santé Group (Yves Ponroy & Biohamonyl/Nutri Santé, Vitamonyl & Vitathéra	N/A	N/A	Direct Sale, Pharmacies and Supermarkets
Laboratoires Martin Privat	N/A	Specialized in plant extracts and vitamins	Pharmacies & Drugstores and Specialized Stores
Roche - R.C.H.	N/A	Minerals and vitamins (Santogan)	Pharmacies
Sandoz (Nutrition et Santé)	N/A	Cereal & Gerblé	Supermarkets

Source: AC/Nielsen Panel

Reacting to French consumer demands large food industry groups such as Danon and Nestlé are investing more and more in the health sector, resulting in an hybrid market half way between food and medicine, called "aliments-santé" (Functional foods). In fact, recent mergers between pharmaceutical and food industries should reinforce the development of functional foods to the detriment of some current standard food supplements.

### **SECTION III. COSTS AND PRICES**

Pharmacies and drugstores generally carry innovative products in this category at higher prices; consumer research shows buyers are unwilling to pay these prices in supermarkets. At prices over \$6.00 per unit, the French consumer prefers to buy a food supplement in a pharmacy or a drugstore where he can consult with someone the products benefits.

### **SECTION IV. MARKET ACCESS**

#### ***Custom duties***

Food supplements are generally classified under the harmonized system (HS) 21 06 9098. However, this classification may differ according to the percentage of ingredients in the product. The French customs office is the agency responsible for determining the final classification of a product and they can be reached at the following address:

Centre de Renseignements Douaniers  
84, rue d'Hauteville  
75010 Paris  
Tel: (33-1) 53 24 68 24

#### ***Regulation***

In the absence of EU regulations on food supplements, France considers these products as regular foods. They are subject to French current consumption regulations as to their composition, labeling, advertizing, manufacturing process and packaging.

#### ***Composition:***

The percentage of ingredients (vitamins/minerals and additives) in the product should correspond to the daily recommended allowance determined in France by the French Research Center on Nutrition and Food. If the percentage of vitamins/minerals or additives is above the daily recommended allowance or if they are not listed in French decree of 12/2/93, the manufacturer or importer should request a special authorization to market the product from the French Public Superior Council for Hygien (CSHPF).

#### ***Labeling:***

Labels should be written in French and include the following basic information:

- 3 Product definition
- 3 Shelf life
- 3 Precautionary information or usage instructions, if applicable
- 3 List of ingredients and their percentage in daily recommended allowance
- 3 Weights, volumes, etc., in metric units
- 3 Product's country of origin and name of importer or vendor within the EU
- 3 Manufacturer's lot or batch number

*Advertizing:*

A food supplement is not a medicine and consequently advertizing and labeling should not indicate any curative or preventive properties. A list of forbidden claims is listed in the official bulletin of the General Direction for French Consumption, Competition and Frauds (DGCCRF) of October 7, 1997.

*Note: Due to the rapid development of this sector and in order to avoid existing "unexpected non-conformity to regulatins" food supplement operators have urged the European Commision to put in place specific regulations; draft legislation is currently being considered by the European Commission.*

**SECTION V. BEST PRODUCT PROSPECTS**

In supermarkets, products selling the best are plant extracts, herbal teas and phytovitamins (a mix of plant extracts and vitamins) despite competition from French manufacturers, if products are of good quality, reasonably priced, with attractive packaging they can find a niche in the market. .

In pharmacies and drugstores, opportunities exist for U.S. exporters carrying innovative products such as green mixtures (extracts of young shoots of wheat, oat and barley) rich in vitamins and oligo-elements. In addition, vitamin C, representing ten percent of the total market of food supplements in supermarkets and 21 percent in pharmacies is also in demand and other products such as fat blockers, meal substitutes and intestinal transit food supplements also represent best product prospects for U.S. suppliers offering quality, attractive and innovative packaging.

**SECTION VI. KEY CONTACTS AND FURTHER INFORMATION**

For further information contact:

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American Embassy

2, avenue Gabriel - 75382 Paris Cedex 08

Tel: (33-1) 43 12 2264

Fax: (33-1) 43 12 2662

Email: [agparis@fas.usda.gov](mailto:agparis@fas.usda.gov)

Internet: <http://www.amb-usa.fr/fas/fas.htm>

For more information on exporting U.S. food products to France, visit our homepage. The OAA homepage includes "The Exporter Guide", the "HRI Food Service Report" and the "Retail food sector Report", as well as "Food and Agricultural Import Regulations and Standards", product briefs on the market potential for U.S. products, upcoming promotional trade shows and fairs in France.

Importer/distributor lists as well as major French supermarket buyers addresses are also available from our office to exporters of U.S. food products.

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service homepage: <http://www.fas.usda.gov>